

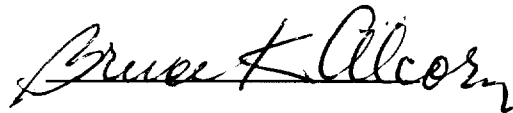
A Biblical Guide to Finances for Young Couples

An Honors Thesis (HONRS 499)

by

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A handwritten signature in cursive script that reads "Bruce Alcorn". The signature is written in dark ink and is positioned below the printed name of the thesis advisor.

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Abstract

Many Christian young couples today are overwhelmed at the fact that they know very little about what the Bible teaches on managing family finances. Unfortunately, the devastation lies in the fact that couples fail to realize their ignorance of the Bible until after they have fallen prey to the bondage of debt, poor stewardship, and anxiety. As a result, couples struggle to discern between society's principles and Biblical principles, fail to communicate properly within their marriage, and develop anger and bitterness toward one another. This quickly begins to harvest the fruit of unbiblical divorce.

However, many Christian young couples are still in a position where knowledge and obedience to God's principles on money is the answer to years of obedience, harmony, and blessings as God is glorified.

The discussion of a Biblical guide to finances is a guide for young couples who have recently been married and who are in need of financial guidance on budgeting, debt, and God's view of money. Along with a brief discussion on who Christians are, the guide incorporates a variety of topics into its overall goal of providing a proper Biblical view of money and how young couples can responsibly account for and spend it God's way.

The guide contrasts the Biblical and societal views of money, examines how God uses finances in a marriage, explains common reasons for financial difficulties, and explores elementary steps and procedures for implementing a budget into a marriage where the desire is to honor and glorify God with their finances.

SECTION ONE:

Theory

1. What is a Christian?

The Bible is very clear through the words of the Holy Spirit that a Christian has one distinguishing characteristic. A Christian is an individual who is a believer of Jesus Christ and his work on the cross. It is one who has accepted by faith that Jesus Christ was and is the perfect sacrifice to pay for man's sin.¹ Further, it is one that believes that Jesus was one hundred percent man, one hundred percent God, lived a perfect life, was crucified, died and rose from the dead and now sits at the right hand of God in Heaven.² A Christian has accepted and trusted Jesus Christ as Lord and Savior and has committed their life to the purpose of living for Him.³

As a result of their trust in Christ and commitment to living for Christ, Christians should desire to follow God's Word, the Bible.⁴ A Christian is able to understand that the Bible is the standard and blueprint for living a life pleasing to God. It is not simply an intellectual understanding that God's Words are placed in the Bible in case we are in need of them at some point. Rather, a Christian is devoted to understanding that Christ died for them and they now need to live for Him. They need to use His Word and apply its principles to their daily life.⁵

2. God's Standards for Handling Money

As God's Word becomes very clear about his plan for salvation and the need to follow his principles and guidance for living a Godly life, it should become clear that God has established guidance for all aspects of life. For example, He has established principles for parenting,

communication, employment, marriage, taxes, and abortion.⁶ God also provides guidance through His Word for the proper handling of money. While God calls his followers to be good stewards of everything, this paper will concentrate on the proper stewardship of money.

Often, people in our generation think of a steward as a busboy in a restaurant or a porter in a hotel. Regardless of the exact definition, the concept most people have in mind is of someone with little authority or accountability. It is important to note that today's use of the term "steward" and the Biblical definition of a steward are radically different.

In Biblical times, because of limited means of travel, householders (men who owned large estates, farms and/or livestock) would often be gone from their land for long periods of time. In their absence they would appoint one of their servants to manage the business. This person was expected to perform just as if the householder would if he were there.

The term used to describe this important position was "steward." From the Greek word "oikonomenos," a steward literally was a "housing one." In other words, he was entrusted with his master's household and was to consistently manage it in his master's absence.⁷

One of the words God has chosen to describe the Christian is "steward." One is a steward - One does not choose to become a steward. One is either a good steward or a poor steward and God calls his followers to be good stewards of the resources he has provided because He owns all of them and we own nothing.⁸ Because God has provided us with different resources, His Word states that he has entrusted us with everything we have and he can call us into account for how we are handling them.⁹

As God calls us to be good stewards of his resources, Christians ought to rethink their view of money. Many Christians fail to recognize that the

true owner, God, has entrusted them with all of their finances. Therefore, our money should be looked at as God's money and our desire should be to please him by doing with it and handling it in such a manner that brings glory to him. How do we glorify God with our money? By understanding who the owner is; who the giver is; and by responding obediently to Biblical ways of handling it.

Of the numerous parables that Jesus taught through the Gospels of Matthew, Mark, Luke and John, it is remarkable that he dedicated two-thirds of all of his parables to teaching the principles of how to properly handle money.¹⁰ Why did Christ spend so much time talking about money? He might have spent so much time relating his parables to money because it is hard to think of any other area of life that relates so well to everyone whether they are married, single, young or old.

Jesus often draws interesting parallels between the way we handle our money and the way we handle spiritual matters. The way we handle our money is often times a good outside reflection of our inner values. Christ said that if a person is not faithful in the smallest of things, such as money, he will not be faithful in the greater things.¹¹ The way we handle our money is nothing more than the outward expression of what is going on spiritually inside. Therefore, if the area of managing our money is not handled properly, everything else tends to fall out of balance.

Unfortunately, many Christians today fail to properly achieve a balance because of a lack of discernment between our society's view of money and God's view of money. The reason for this lack of discernment is that many Christians attend business schools that teach the OPM (Other People's Money) principle.¹² In our economy, it is also described as the credit mentality, the ability to borrow, that allows people to buy things

they cannot afford to own. The problem with the principle of OPM is ignorance, or the lack of understanding. Individuals have been taught well, but they have been taught the wrong things.

Many Christians have been taught false principles by the society in which we live. Unfortunately, many fail to use God's Word as the plum line for distinguishing between societal principles and Biblical principles. Instead, Christians often rely on college textbooks or other standards of practice to determine how they should handle money. Our society teaches and views wealth in terms of money while God's Word teaches that everything we have as Christians is wealth. Our greatest wealth from God is the gift of our salvation. Why? Because it never ends! Also, our friends, the children we have been granted, and the relationship between a husband and a wife (in the Lord) is part of our wealth from God. In comparing God's wealth and the society's wealth, God promises riches, honor, and a long life. Yet, the riches God emphasizes are not focused strictly on money.

3. God's use of Money and Marriage

As discussed previously, both single and married individuals are at fault for failing to be good stewards of God's money and using it His way. Yet, God has provided a unique safety device within a Biblical marriage. God uses money in different ways in a marriage than He does with single individuals. God designed the marriage in such a way that the wife is placed into the marriage to help provide a balance. For example, with rare exceptions, most couples are so opposite that they are predictable.¹³ But, when couples use their differences as assets, they will find that as they

communicate about anything, particularly money, they will get opposite and wise perspectives for making decisions. Money can be either the best area of communication in a marriage, or it can be the worst. Yet, the goal is to achieve proper balance in the marriage and communication is essential.

In Genesis 2:24, the Bible teaches that a married couple becomes one person.¹⁴ The two personalities merge in a marriage to operate as one and the extremes of one person are balanced by the partner's extremes. Therefore, the balance is achieved in a Bible-based marriage when two people are willing to merge their lives totally as partners to utilize their strengths. In the area of finances, balance is especially critical.

As a part of a couple achieving marital unity, they must be committed to following the standards that God's Word establishes for handling money. By doing so, couples enable God to use money in their Christian marriages for specific reasons. For example, He uses it to show us our strengths and weaknesses and to teach us to depend on Him more fully. Also, God uses money in Christian marriages to test our faithfulness. Often times, the way we respond to financial problems is a good indicator of whether we trust God, or whether we just say we trust God. In short, when the pressure is on, will we still do it God's way?

It is easy to say that we trust God when things are going very well, but the bottom line is, do we really trust God? Will a person still trust God, even though they can see no logical way out as Shadrach, Meshach, and Abednego were faced with in the fiery furnace? Can one honestly say that their response would be the same as that of the three men recorded in the text of Daniel 3:17-18?¹⁵

Although many Christian couples say they trust God, they still find themselves borrowing more money than they can pay back. While this is a financial problem, the more basic problem is a spiritual problem. The real problem lies in a lack of trust in God. If we trust God, he will provide all we need within our income.

The Bible states in Matthew 7:9-11 that God will and does give good gifts to those who ask and seek Him.¹⁶ As God provides and gives gifts to Christian couples who seek Him, He chooses to demonstrate His love by giving money as one of those gifts. Further, Scripture as a whole teaches that those who have trusted Him are willing to obey Him and have demonstrated obedience by following his principles. In turn, God will honor those who have obeyed him through His blessings.

In addition to testing a couple's faithfulness, showing them His love, and revealing their need for dependence on Him, God also uses money in the lives of young couples to draw them closer together. God enables money to bring a couple closer if, from the very beginning, they have established God's Word as their financial guide. By establishing this, the couple will begin to communicate about the everyday things involved with money and will begin to learn more about each other. By communicating Biblically about resources given to a couple by God, He is pleased, glorified, and will bless the couple for their obedience.

Finally, Christian couples need to realize that God actively uses money in each marriage for specific reasons. He designed marriage to be the joining of two individuals, and couples need to realize that unless they communicate about their finances openly, they will never achieve the oneness that God desires.

4. Money Difficulties

It appears that the majority of couples in America consistently lack the discernment and understanding associated with managing the three most mishandled areas of finance: Credit, borrowing, and debt.¹⁷ With respect to a couple's misunderstanding of debt, Blue states:

Over 80% of Americans have more debts than assets, which means that if they were to sell all of their assets, they would not have enough left to pay off the debt they have accumulated. Probably very few families have ever added up what they owe and what they own, much less prepared a budget to know whether they are living within their income. Even though they are economic failures, they do not know it. Children growing up in these homes are unintentionally being taught a way of life that almost certainly guarantees economic failure in the future."¹⁸

As Blue stated, the impact of the mishandling of credit is devastating to a couple. Not only does it restrict and bind their ability to serve God with what he has given them, it also leaves a lasting impression on future generations.

Although troubles with the mishandling of credit, borrowing, and debt are achieved in many ways, the root cause can be summarized and related to one of three basic areas: Ignorance, greed, or communication.

Ignorance is a word that few understand. Although many relate ignorance to stupidity, it is not the same. Ignorance has to do with a lack of understanding. Many couples are very ignorant about finances in general, as well as simple skills like balancing a checkbook. It is not that they are stupid, it is the fact that they do not adequately understand. God's Word addresses such an issue in Proverbs 22:3.¹⁹ Numerous

Christians enter their marriage with little or no understanding of finances and quickly find themselves overwhelmed by the opportunities they encounter to spend more than they make. This act of spending more than what is made is indicative of the lack of training and knowledge. People are not stupid, they are just ignorant. In short, couples need to know specifically what they are dealing with when it comes to commitments in the area of debts and must thoroughly understand the agreements they have entered into.

The second basic area, greed, is a trait which the Bible speaks strongly against.²⁰ Greed is literally the sinful desire to "have to have more, and have to have the best." In our generation, greed is often taught under the appearance that you owe it to yourself, or you buy it because somebody else has one too. Indulgence, impulse buying, and get-rich quick schemes are all activities that have greed as a root cause. Yet, a correction or Biblical response to this mentality is to ask "What is God's plan for me? I don't want somebody else's plan" and to meditate on Hebrews 13:5.²¹

Often times Christians find themselves caught up with the desires of their friends and relatives and look toward society for the direction of their desires rather than to God and his powerful Word. This is why it is so important for a husband and a wife to communicate about money, because together a balance can be attained as each holds the other accountable. In working out the finances as a couple, it is absolutely crucial that the man remember that his wife is a fellow partner and that she helps provide a balance to sinful greed.²²

The third basic area of cause for the mishandling of credit, borrowing, and debt is communication. As stated earlier, money is an area

of marriage that can be used to develop good communication. It is a tool that God has given couples to learn a great deal about each other.

However, many couples fail to adequately communicate to one another about finances. Many times couples allow ignorance and greed to filter into their thinking. As couples allow these areas to control them, they usually substitute "individual freedom" for God's design of communication and oneness. Instead of allowing God to use money to draw a couple closer to each other and dependence on Him, they allow ignorance and greed to rule their new found freedom.

As couples learn to discipline themselves with regard to finances, they will find that it does not restrict their freedom. It is when couples fail to communicate to one another about goals and the purpose for using money that they fail to use it Biblically. By failing to use God's money his way, couples place limits on what they can do financially for the cause of Christ; thus limiting their freedom. Christian couples need to accept the fact that unless they communicate about their finances, they can never achieve the oneness that God designed in Genesis 2:24.²³

As discussed earlier, the lack of discernment in credit, borrowing, and debt have led many Christians to fall prey to areas of ignorance, greed, and improper communication between a husband and a wife about finances. As a result, many people have accepted the fact that "everyone is capable of handling credit" and that borrowing, credit, and debt are a good thing. Why has this happened?

As stated earlier, Christian discernment between society's thinking about debt and Biblical thinking has diminished drastically. A common myth that our generation of Christians have bought into is that somehow debt, specifically interest from the debt, is a good idea because of its

ability to provide a tax deduction. Ever since Congress passed legislation that enabled the tax write-off of interest on home equity loans and other types of loans, Christians and many others have accepted the fact that loans are a benefit! However, reality says paying interest is always a loss and couples need to be sure they have not been lead astray into thinking that it is a good deal. It is not!

Although the Bible never specifically states that borrowing is prohibited, most references to borrowing are warnings much like Proverbs 22:7.²⁴ In addition to warnings, God's Word also provides three basic principles for borrowing, credit, and debt.

Principle 1: Debt is not normal.

Regardless of how it seems today, debt is not normal in any economy and should not be normal for God's people. We live in a debt-ridden society that is virtually dependent on a constant expansion of credit to keep the economy going. This is a symptom of a society that is no longer willing to follow God's directions. Burkett discusses this issue when he states:

Our nation has already been disobedient in adultery, homosexuality, abortion, and pornography. Why should we assume anything different in the area of money? Yet, Christians who would never think of participating in those other areas naively follow the world's lead in the area of credit.²⁵

God commanded as he promised to his people that "If you fully obey the Lord your God and carefully follow all his commandments I give you today, the Lord your God will set you high above all the nations of the earth...the Lord will open the heavens, the storehouse of his bounty, to send rain on your land in season and to bless all the work of your hands. You will lend to many nations but will borrow from none"²⁶.

Principle 2: Do not accumulate long-term debt.

The reality that the average American family accepts a thirty year home mortgage as normal today is sometimes hard to believe. Yet, the need to expand the borrowing base continually forces longer mortgage loans as is evident in the availability of home mortgages now that extend for longer than thirty years. Why have these expansions occurred? Because expansion through taking on debt causes prices to rise through inflation. As prices rise, mortgages lengthen.

In contrast, the longest term of debt God's people took on in the Bible was about seven years. During the seventh year, the Jew was instructed to release his brother from any indebtedness.²⁷ Thus the only debts that could exceed seven years were those made to non-Jews or from non-Jews.

Principle 3: The Borrower has an Absolute Commitment to Repay

In our generation today, situational ethics is out of control. Therefore, it has become very easy to rationalize not paying a debt, especially when the product or service is defective or when one's financial situation seems to be falling apart. Both the divorce rate and the number of bankruptcies in America attest to the fact that we are a situational society. Meanwhile, there are cries for individual rights within a marriage and when they are not upheld, many spouses leave instantly.

The same analogy can be applied to those who borrow money. The easy access to credit leads many people to believe that paying their debts will be just as simple. Unfortunately, many borrowers discover that it is possible for them to accumulate far more debt than they can repay and still maintain the lifestyle they desire. As a result, many quit. Nearly 500,000 couples a year choose bankruptcy as a way to avoid repayment.

Yet the average indebtedness for couples in bankruptcy is only about \$5,000.²⁸

Many couples assume the philosophy that bankruptcy must be acceptable, or the government would not allow it. However, this statement would only be true if one assumes that the government in America today follows God's principles, which is far from true.

Voluntary bankruptcy is an act by a borrower to avoid his or her creditors. In some situations a voluntary bankruptcy is acceptable, but never in the context of trying to avoid repayment. The Bible warns us often to be careful before making vows and Christians need to accept the fact that God allows him no alternative to keeping his vow.²⁹

SECTION TWO:

Practice

1. Why use a Budget?

It seems that every couple at sometime in their life has saved for some special item they would like to have or have dreamed of having. It may be a dishwasher, a car, a cruise, or new clothes. Whatever the item, the basic idea is that the act of saving is planned spending. In order to save the \$200 for a new suit, one has to not spend \$200. In effect, the couple is budgeting for \$200 to buy a new suit.

Budgeting is planned spending. It is simply a plan to manage the money in your home (not just for a new suit). A budget, if used properly, should help to determine what kind of a home a couple can afford, what kind of a car a couple can drive, how much insurance a couple should have, and what kind of clothes a couple can wear.

As God spoke through the writing of Paul's letter to the church of Corinth regarding the orderliness of church worship, he commanded that worship be done in a fitting and orderly manner.³⁰ Therefore, the God of the Bible is a God of order and a God who requires that He be worshipped in an orderly manner.

Similarly, in light of the use of God's money, couples ought not to handle His money in an unordered or unfitting way. As Monod wrote, "There is no portion of money that is our money, and the rest God's. It is all His; He made it all, and He has simply trusted it to us for His service."³¹ Therefore, in order to use God's money in a way that would please Him, couples should use it in an orderly and fitting way. One of the better ways of ensuring that a couple uses God's money in an orderly and fitting way is to budget it.

It is truly better to live on a budget and know where your money is going every month than to live without one and not know. A good budget does not restrict a couple's freedom. It merely tells them when they have spent what they have agreed to spend. By having spending under control, couples have a surplus of money to use for family and the Lord's work. But, best of all, couples are following the Bible's principles of orderliness and are at peace in their marriage and with God.

2. The Impact of Marriage on a Budget

Any good budget has to be a plan created by two people for two people, not a plan created by one person for two people. A couple must pray about it together, commit to God together, and have a peace about it together. And it has to be fair for both husband and wife because a good marriage is a partnership.

The purpose of a budget is for a husband and wife to communicate how they're going to spend their money, and then have a guide to measure whether or not they are spending their money the way they have agreed they would. It means taking time to talk about their current situation, where they need to go, and constructively evaluating how they are going to get there.

The budget discussion must begin with the couple's current situation as they discuss and calculate how much money they actually make and how much they spend every month. In establishing the budget, it is crucial to remember that it is a plan for managing all of a couple's money. The budget must account for spending, including the non-monthly items

such as clothing, insurance, and maintenance, so that when they come due, the money is put aside to pay for them.

As the couple decides and calculates the details of their budget, the real purpose of a budget is discovered as it promotes a oneness between a husband and a wife as they make decisions together. The practical (a budget) merges with the spiritual (faith) as a couple is willing to trust that God will provide within their budget.

3. Proper view of "Trusting God"

Many couples have difficulties in establishing a budget because of two misconceived ideas on "trusting God." First, many couples argue that their lack of financial planning comes as a result of the philosophy that they will "get by by trusting that God will provide." Although this statement is not totally incorrect, the couple needs to more thoroughly examine Christ's parable in Matthew 6:26.³² In particular, the couple needs to pay close attention to Christ's use of "the birds of the air" and their work ethic. Birds are normally up early and working diligently to find food for themselves and to provide for their families. Birds do not lounge around and wait for the worms and other items of food to come to them. God promises that He will provide food for the "birds of the air" as the birds do their part of searching and working diligently to find it. Similarly, God promises that he will provide for our needs and will meet the desires of our heart, but we also need to be doing our part of the work. We need to be planning ahead on how we are going to spend His money to His glory.

The second misconceived idea about "trusting God" involves the intricate details of establishing a budget and the individual budgeting categories. In the beginning, many couples fail to accurately establish a budget which accounts for all spending and expenses. For example, couples exclude categories such as clothing, entertainment, and vacations from their budget while saying they will "trust God for their clothes." Yet, the difficulty with such a statement is that when examined more closely a question has to be asked. Is the couple really saying that they are willing to do without clothes if God does not provide for them? Often times, couples are not so sure this is exactly what they mean and it is unrealistic to believe that a young couple will never buy any clothing. Therefore, budgeting items such as clothing and other categories need to be included in the budget.

4. Budgeting Records

After understanding why a couple needs a budget, how a budget involves both the husband and wife, and the proper view of "trusting God," a couple needs to become familiar with two methods for maintaining records for their budget.

In preparation for our discussion on two common methods of budget record keeping, it is important for a couple to keep in mind a few basic principles. First, the two systems discussed in the following paragraphs are simply two ways of record keeping that many couples have found helpful. If a couple tries these systems and it is beneficial, then they should implement them and work diligently to keep them current.

However, if these two systems are not as effective as some other system, the couple should obviously use the most beneficial method.

Second, because this area is the "practice" section, a couple needs to gather ten sheets of paper, a pencil, and a diligent study mode. This section will discuss the "envelope" and "budget book" systems and is designed to inform couples by explaining and giving examples of how these will aid in record keeping.

Finally, it might prove advantageous to keep notes as a couple reads through this and the following sections in order to highlight areas which are specifically helpful. Let us begin our discussion on records.

First, the envelope system is a system that is not the best for everyone, but it is beneficial for some couples who are working up to keeping a checkbook balanced. The system consists of x amount of envelopes (one for each budget category) which have the appropriate budget category and the amount of money to be spent for that month clearly labeled on each envelope.

Once a paycheck is received, it is cashed and distributed into each budgeted category. For example, suppose a couple's "miscellaneous car" budget category is to have \$100 per month and that they are paid \$250 twice per month, on the 1st and the 15th. Therefore, of the \$250 from check number one, the couple will place \$50 into her envelope marked "miscellaneous car" and the rest will be distributed according to other budget categories. Next, assume they need \$20 for gas. The couple will remove \$20 from the envelope to pay for gas, leaving \$30. Then they buy some oil for \$12. The couple will remove \$12 from the "miscellaneous car" envelope, leaving \$18. On the 15th, they are paid again. The couple will cash the \$250 from check number two and will place \$50 into the

"miscellaneous car" envelope (\$50 from check #1 + \$50 from check #2 = \$100 monthly budget amount). The rest will be distributed according to other budget categories. The couple now has \$68 in the "miscellaneous car" envelope for use on car related expenses.

Thus, when monthly costs occur, they are paid out of the appropriate envelope and the change is put back into the envelope. What makes the system work is when a couple discovers that an envelope is empty, they stop spending money for that category. For example, if the envelope for "entertainment and recreation" is empty, a couple must stop entertaining and recreating for that month.

The second method for maintaining records of a budget is called a budget book. The majority of couples will be more inclined to use the budget book method or a checkbook equivalent of the envelope system.³³ In this system, a one page account record is substituted for each envelope. Therefore, all the money except for cash accounts like gas, food, and entertainment is deposited in the checking account and on each account sheet is written how much can be spent per month (or pay period).

The way the budget book system works is that the amount left on the account sheets tells how much money is left to spend in any category, just as an envelope would. To illustrate, assume a couple gets paid twice a month, on the 1st and the 15th. According to their budget, \$50 is to be set aside per pay period for car maintenance expenses. Therefore on the 1st, the couple would reflect a \$50 deposit on the car account sheet. Then, assume they write a check for \$12 for oil and \$10 for new floor mats, leaving \$28. On the 15th, the couple is paid again and each account sheet receives its budgeted amount. This means that the car account would

receive \$50 more to bring the balance to \$78 (see Appendix A for illustration).

What makes this system work is a commitment to keeping the budget book (the group of account sheets) up to date and to agree to spend according to the account sheets, not the checking account balance.

5. Budgeting Categories

In addition to the discussion on two common forms of budget record keeping, young couples may find it advantageous to become familiar with some common budget categories which many couples allocate their income toward. Although these are common budget categories, not all of them will apply to every couple. Not only will all of them not apply, but couples may realize after establishing their budget that they would prefer to divide up a category more or add a few other categories. This option is open to the discretion of each couple and they should feel free to adjust their categories. However, keep in mind that record keeping is still a crucial element in allowing a budget to work and the more categories in a budget the more diligent record keeping is required. Therefore, couples may find it helpful to begin with common categories and adjust to individual preferences later. Generally, there are ten main categories to a young couple's budget (see Appendix B).

First, the most important category in establishing budgetary items is the area of tithing. The foundation for any family financial plan must be built upon God's Word. Throughout His Word, giving a portion of our wealth is described as essential to our receiving God's wisdom.³⁴ The starting point for Christian giving is referred to as a "tithe" (meaning one-

tenth).³⁵ The Bible expresses two distinct examples of tithing. First, in Genesis 14, God allowed Abraham to win a decisive battle. After the battle, Abraham met a priest named Melchizedek and displayed his gratitude for how God had provided for him by giving back a tenth of everything.³⁶

The second example occurred in Genesis 28 when God appeared to Abraham's grandson Jacob in a dream and reconfirmed the "Abrahamic Covenant" to Jacob. In verse 22, Jacob acknowledged the Lord as his God and King and vowed to give a tenth of everything.³⁷

Please notice that both of these passages took place before the giving of the law to Moses. While many say that tithing is "an issue of the law," the truth is that this principle has been a part of the way God's people have lived from practically the beginning. Therefore, we ought to be following what the Bible says and give a tenth of the "firstfruits of all our crops."³⁸

The second main category of a couple's budget is probably the largest area in most budgets, housing. Housing includes rent, mortgage, taxes, utilities, and the telephone bill and it is also the area most couples struggle with the most. The reason it becomes a problem is because over commitment to housing commonly serves as the initial step into debt.³⁹ Many couples over commit themselves financially by spending or arranging loan repayments based upon two incomes. The danger in arranging payments on a two income family is that inevitably, something such as pregnancy will happen to interrupt the wife's income. As a result, when the second income is not helping generate the loan payment, debt begins to bind the couple financially. Therefore, a couple should base the

amount of payments for housing expense on just one income in order to avoid such a situation in the future.

In addition to income questions, young couples often ask the question, "Is it better to rent or to buy?" The answer is that a couple should buy if they can stay within their budget. However, most couples buy a home that is too large and a home mortgage which binds them to thirty years of payments.

Burkett uses an interesting example in many of his books to illustrate this very point:

Two husbands, whom we will call Bill Big and Sam Small, are considering buying their first homes. Bill Big decides to buy what he can "afford," so he buys a home for \$125,000 at 10 percent interest for 30 years, financing \$115,000. His payments are \$1,000 a month for 30 years, so he pays \$360,000 for his \$125,000 home.

Sam Small, on the other hand, bought a \$70,000 home and financed \$60,000 for 7 years at 10 percent, so his payments were also \$1,000. Sam sold his home for \$70,000 after 7 years when the debt was paid (no profit). He then took his \$70,000 and bought a \$125,000 home next to Bill Big, financing \$55,000 (\$125,000 minus \$70,000) for 7 additional years at 10 percent. His new payments were \$913 per month.

After 7 more years, Sam owned his \$125,000 home, debt-free, and had paid a total of \$160,692 for it, including interest.

7 years at \$1,000/month = \$ 84,000

7 years at \$ 913/month = 76,692
\$160,692

But Sam is not finished. Bill Big has approximately 15 years to pay on his mortgage. So Sam takes his last monthly payment amount (\$913) and puts it into a pension plan at 8 percent annual interest. When Bill owns his \$125,000 home at the end of 30 years, Sam owns his too. But Sam also has \$353,521 in his pension plan. The value of Sam Small's strategy is self-evident.⁴⁰

Therefore, planning ahead pays off in the area of "housing."⁴¹

The third main category in most couple's budget is automobiles. The automobile category should include any payments, maintenance, gasoline,

plates, stickers, and insurance. With rising costs associated with new automobiles, the best value for many couples is a good used car. The best buys in used cars are commonly found by buying directly from the owner where couples can learn the history of the car and usually negotiate the best possible price.

The average American couple is going to spend over \$180,000 on cars, including interest, during their lifetimes.⁴² They will never be debt-free because they do not ever plan to be. Couples need to opt to drive their cars until they are paid off and then save for the next one.

The fourth main budget category consists of everything purchased at the grocery store, including food, shampoo, and paper products. Perhaps the best counsel that can be given in this area is to buy according to a predetermined list or a menu. Many couples find it helpful to create a list of what meals they will have between pay periods, check the shelves at home to see what they already have, and then make a list of what they are missing. Also, the use of coupons benefit many couples greatly as more supermarkets begin to offer "double coupon" days. When is the best time to clip your coupons in newspapers, magazines, and store circulars? According to studies, coupon clipping is most profitable in the months of June and October. In addition, the next best months are May, September, and November and the poorest months are July and December.⁴³ Finally, in addition to the use of a list of items and coupons, many couples may consider keeping their grocery money in an envelope and buy only on a cash basis. This will help discipline the couple to stay within their budgeted amount.

The fifth main category in most couple's budgeting is insurance. Although many couples are covered by a group health insurance plan, the

— lack of available funds makes health insurance a virtual impossibility for some couples. However, the cost of a major hospital stay can result in years of indebtedness. Therefore, when budgeting for insurance with limited funds available, couples must select the insurance plan that fits their needs, not a salesperson's.

The sixth category in establishing budgetary items is entertainment and recreation. This category should include funds available for eating out, movies, sporting events, health clubs, and vacations. Entertainment and recreation has commonly served as an area which can easily get out of control if a couple is not careful. Vacations serve as ample opportunities to overspend by using credit cards to supplement a couple's budget and often times the previous year's debt is not paid off before vacation time comes again. As the debts pile up, many couples tend to move toward the tendency to want to "get away from it all."

— In order to help avoid such a problem, it is sometimes more effective to control the entertainment budget through the use of an envelope system. When a couple entertains, they pay for it out of their envelope and when the envelope is empty, they stop entertaining and recreating until the next payday.

— The seventh main budgetary category is clothing. As discussed earlier, it is necessary to include funds for clothing because it is impractical to think a couple will not buy clothes. Frankly, if a couple cannot budget for clothes, their budget will have a difficult time working. Once a couple has settled on an amount for clothing, it is important for them to discipline their spending of that money strictly for clothing. When a couple incurs a surplus one month, they must allow the money to accumulate until it is time to buy clothes. This is why it is so important for a couple to spend

— based upon their budget rather than their checking account. As we discussed earlier, the budget book must control a couple's spending, not the checkbook. Finally, in order to help control the spending of money on clothing, a couple may find a listing of when clothing items commonly go on sale (along with other items) located in Appendix C as a helpful tool.

The eighth category is miscellaneous. Miscellaneous spending is the category of the budget that seems to eat up all of a couple's money, and they can never remember where it went. As a result, this category must be watched carefully and there is no substitute for self-discipline in trying to control the spending. Items such as toiletries (toothpaste, razors, make-up), pocket money, lunch money, gifts, and all other items that do not fit easily into any other category should go into miscellaneous spending.

— The ninth main category of a couple's budget is savings. There is nothing wrong with having some savings. It is not unbiblical to save, nor does it represent a lack of faith. Although some may argue that God directs Christians through His Word to rely on Him for everything and saving contradicts this, saving is an issue of stewardship. Is true Biblical stewardship practiced when one borrows at 18 percent to buy things that wear out or is it when one saves and then buys them without credit? It is important that couples budget some savings. Otherwise, the use of credit becomes a lifelong necessity, and debt a way of life. A couple's savings will allow them to purchase with cash and to shop for the best buys, regardless of the store.

— The final main category for budgeting is other indebtedness. Obviously, it would be great if most budgets had zero debts, but the normal amount of most couple's debt is nearly 8 percent of their budget.⁴⁴ Further, debt on consumable items such as food, clothing, and gasoline is

exceedingly difficult to repay because when they are gone, so is the desire to pay for them. Also, since more consumable items are needed, the debts continue to pile up. Therefore, consumable items should be paid for on a cash basis.

Once a couple has developed a budget and knows how much money is necessary for them to live on and how much they can pay, they need to contact their creditors. The Bible specifically discusses the responsibility a Christian has to keep their vow or promise and requires that they fulfill their vow.⁴⁵ Therefore, the Bible requires that couples repay their debt even if it causes them to reduce their lifestyle in order to do so. God is honored when couples fulfill their vows and in doing so they may need to make severe sacrifices. Couples may need to contact their creditors and arrange for alternative payment plans until they have adequately adjusted their lifestyle and spending in order to afford to make repayments.

As two forms of budgetary systems were discussed and ten common budgetary categories were examined, a couple has the ground work set for establishing their own budget for managing the money God has entrusted to them.

SECTION THREE:

Conclusion

Christian young couples are challenged daily to make difficult financial decisions for the present and the future. These decisions range from spending the month's pay check to buying a home. Yet, many young couples discover they need guidance in the area of finance and God's Word provides that help.

Not only is God's Word applicable to all facets of life, it specifically discusses many aspects of financial matters. It provides guidance in the area of stewardship and the requirement that Christian couples must use God's resources (money) in a way that would glorify Him. It warns Christians to discern between society's use of money and the Biblical pattern by allowing His Word to be the plum line for decision making.

As couples commit their marriage and financial decisions to the guidance and obedience of God's Word, He will increasingly use money in the marriage. God will use money to test a couple's faithfulness, show them His love, reveal their need for dependence on Him, and draw them closer together as they work toward achieving the oneness God desires.

Unfortunately, many Christian young couples are often times drawn to God's Word at a point where they have already mishandled their finances and have fallen prey to the bondage of debt. However, God's Word is still applicable to those situations. Although the Bible never specifically states that debt is prohibited, most Biblical references are warnings against the troubles of debt. Further, His Word provides three principles as guidance that every young couple should live by: Debt is not normal, do not accumulate long-term debt, and the borrower has an absolute commitment to repay.

In this Biblical guide to finances, it has attempted to explain God's principles thoroughly in order to form a strong foundation from which

— decisions can be made which would glorify Him. An emphasis has been placed on using God's Word as the light to guide couples down their path of financial decision-making. This guide has discussed how God desires to be glorified with the way that couples use their money and approach debt. Budgeting and planning have been discussed as excellent tools for glorifying God. Budgeting and planning one's finances provides for the orderliness that God desires of us as we show obedience to Him. However, budgeting is not effective without proper record keeping. The envelope and budget book systems were discussed and illustrated in order to help provide couples with practical ways to account and record their finances. The guide has stressed that a couple's obedience to designing a budget together and trusting that God will provide within their budget are important elements in the goal of glorifying God.

— Finally, the guide has provided couples with ten practical areas as categories for starting a budget. Although couples have different needs and areas of emphasis, this guide has provided common categories which many couples find helpful for beginning their quest toward glorifying God with their money.

— The discussion of a Biblical guide to finances has been an educational tool for young couples who are in need of financial guidance on budgeting, debt, and God's view of money. It has attempted to glorify God with its presentation and instruction and to encourage couples to continue to strive to fulfill God's desires in the way that they handle their money.

APPENDICES

Appendix A

ACCOUNT: AUTO ALLOCATION: \$100

1st \$50

15th \$50

| DATE | TRANSACTION | DEPOSIT | WITH DRAWAL | BALANCE |
|------|-------------|---------|----------------|---------|
| 1st | | 50 | | 50 |
| 2nd | Oil | | 12 | 38 |
| 8th | Floor Mats | | 10 | 28 |
| 15th | | 50 | | 78 |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

Ten Main Categories to a Young Couple's Budget

1. Tithing

2. Housing

-Rent, mortgage, taxes, utilities,
telephone bill

3. Automobiles

-Payments, maintenance, gasoline,
plates, stickers, insurance

4. Grocery Store

-Food, shampoo, paper products

5. Insurance

6. Entertainment & Recreation

-Eating out, movies, sporting events, health clubs, vacations

7. Clothing

8. Miscellaneous

-Toiletries, pocket money,
lunch money, gifts, other items

9. Savings

10. Other Indebtedness

What Goes on Sale When

| | | | |
|--|--|---|---|
| January: After Christmas sales Appliances Baby carriages Books Carpets and rugs China and glassware Christmas cards Costume jewelry Furniture Furs Lingerie Men's overcoats Pocketbooks Preinventory sales Shoes Toys White goods (Sheets, towels) | April: Fabrics Hosiery Lingerie Painting supplies Women's shoes May: Handbags Housecoats Household linens Jewelry Luggage Mother's day specials Outdoor furniture Rugs Shoes Sportswear Tires and auto accessories TV sets June: Bedding Boys' clothing Fabrics Father's day specials Floor coverings Lingerie, sleepwear, hosiery Men's clothing Women's shoes July: Air cond. and other appliances Bathing suits Children's clothes Electrical Equipment Fuel Furniture Handbags Lingerie and sleepwear Luggage Men's shirts Men's shoes Rugs Sportswear Summer clothes Summer sports equipment | August: Back-to-school specials Bathing suits Carpeting Cosmetics Curtain/drapes Electric fans and air cond. Furniture Furs Men's coats Silver Tires White goods Women's coats September: Bicycles Cars (outgoing models) China and glassware Fabrics Fall fashions Garden Equipment Hardware Lamps Paints October: Cars (outgoing models) China and glassware Fall/Winter clothing Fishing equipment Furniture Lingerie and hosiery Major appliances School supplies Silver Storewide clearances Women's coats | November: Blankets and quilts Boys' suits and coats Cars (used) Lingerie Major appliances Men's suits and coats Shoes White goods Winter clothing December: Blankets and quilts Cards, gifts, toys (after Christmas) Cars (used) Children's clothes Christmas promotions Coats and hats Men's furnishings Resort and cruise wear Shoes |
|--|--|---|---|

Source:
 The Complete Book of Money Secrets
 1993 Boardroom Reports, Inc. p. 18-20

Notes

- 1 Hebrews 5:8-9 Although he was a son, he learned obedience from what he suffered and, once made perfect, he became the source of eternal salvation for all who obey him.
- 2 John 1:1,14 In the beginning was the Word, and the Word was with God, and the Word was God...The Word became flesh and made his dwelling among us. We have seen his glory, the glory of the One and Only, who came from the Father, full of grace and truth.
- Hebrews 10:12 But when this priest had offered for all time one sacrifice for sins, he sat down at the right hand of God.
- 1 Corinthians 15:3-5 For what I received I passed on to you as of first importance: that Christ died for our sins according to the Scriptures, and that he appeared to Peter, and then to the Twelve.
- 3 Philipians 1:21 For to me, to live is Christ and to die is gain.
- Romans 10:9-10 That if you confess with your mouth, "Jesus is Lord," and believe in your heart that God raised him from the dead, you will be saved. for it is with your heart that you believe and are justified, and it is with you mouth that you confess and are saved.
- 4 John 14:15 "If you love me, you will obey what I command."
- 5 Ephesians 4:22-24 You were taught, with regard to your former way of life, to put off your old self, which is being corrupted by its deceitful desires, to be made new in the attitude of your minds; and to put on the new self, created to be like God in true righteousness and holiness.
- 6 Ephesians 6:4 Fathers, do not exasperate your children; instead, bring them up in the training and instruction of the Lord.
- Ephesians 4:25-32 Therefore each of you must put off falsehood and speak truthfully to his neighbor for we are all members of one body. In your anger do not sin: Do no let the sun go down while you are still angry, and do not give the devil a foothold...Do not let any unwholesome talk come out of your mouths, but only what is helpful for building others up according to their needs, that it may benefit those who listen. And do not grieve the Holy Spirit of God, with whom you were sealed for the day of redemption. Get rid of all bitterness, rage and anger, brawling and slander, along

with every form of malice. Be kind and compassionate to one another, forgiving each other, just as in Christ God forgave you.

Colossians 3:22-24 Slaves, obey your earthly masters in everything; and do it, not only when their eye is on you and to win their favor, but with sincerity of heart and reverence for the Lord. Whatever you do, work at it with all your heart, as working for the Lord, not for men, since you know that you will receive an inheritance from the Lord as a reward. It is the Lord Christ you are serving.

1 Corinthians 7:1-5 ...It is good for a man not to marry. But since there is much immorality, each man should have his own wife, and each woman her own husband. The husband should fulfill his marital duty to his wife, and likewise the wife to her husband. The wife's body does not belong to her alone but also to her husband. In the same way, the husband's body does not belong to him alone but also to his wife.

Romans 13:6-7 This is also why you pay taxes, for the authorities are God's servants, who give their full time to governing. Give everyone what you owe him: If you owe taxes, pay taxes; if revenue, then revenue; if respect, then respect; if honor, then honor.

Psalms 139:13-16 For you created my inmost being; you knit me together in my mother's womb. I praise you because I am fearfully and wonderfully made; your works are wonderful, I know that full well. My frame was not hidden from you when I was made in the secret place. When I was woven together in the depths of the earth, your eyes saw my unformed body. All the days ordained for me were written in your book before one of them came to be.

7 Jerry Benge, "Growing in Stewardship," Stewardship Devotional Guide (1993): 5.

8 1 Corinthians 4:2 Now it is required that those who have been given a trust must prove faithful.

9 Matthew 7:11 If you, then, though you are evil, know how to give good gifts to your children, how much more will your Father in heaven give good gifts to those who ask him!

2 Corinthians 5:19 All this is from God, who reconciled us to himself through Christ and gave us the ministry of reconciliation.

10 Ron Blue, Master Your Money (Atlanta: Walk Thru the Bible Ministries, 1990) 10.

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- 11 Luke 16:10-13 Whoever can be trusted with very little can be trusted with much, and whoever is dishonest with very little can also be dishonest with much. So if you have not been trustworthy in handling worldly wealth, who will trust you with true riches? And if you have not been trustworthy with someone else's property, who will give you property of your own? No servant can serve two master. Either he will hate the one and love the other, or he will be devoted to the one and despise the other. You cannot serve both God and Money.
- 12 Larry Burkett, The Complete Financial Guide for Young Couples (Wheaton: Victor Books, 1993) 16.
- 13 George Fooshee, Your Money (Uhrichsville: Barbour and Company, 1994) 74.
- 14 Genesis 2:24 For this reason a man will leave his father and mother and be united to his wife, and they will become one flesh.
- 15 Daniel 3:17-18 If we are thrown into the blazing furnace, the God we serve is able to save us from it, and he will rescue us from your hand, O king. But even if he does not, we want you to know, O king, that we will not serve your gods or worship the image of gold you have set up.
- 16 Matthew 7:9-11 Which of you, if his sons asks for bread, will give him a stone? Or if he asks for a fish, will give him a snake? If you, then, though you are evil, know how to give good gifts to your children, how much more will your Father in heaven give good gifts to those who ask him!
- 17 Larry Burkett, Debt-Free Living (Chicago: Moody Press, 1989) 8.
- 18 Ron Blue, Money Matters for Parents and Their Kids (Atlanta: Thomas Nelson, 1988) 20-21.
- 19 Proverbs 22:3 A prudent man sees danger and takes refuge, but the simple keep going and suffer for it.
- 20 Colossians 3:5-6 Put to death, therefore, whatever belongs to your earthly nature: sexual immorality, impurity, lust, evil desires and greed, which is idolatry. Because of these, the wrath of God is coming.
- 21 Hebrews 13:5 Keep your lives from the love of money and be content with what you have, because God has said, "Never will I leave you; never will I forsake you."
- 22 1 Peter 3:7 Husbands, in the same way be considerate as you live with your wives, and treat them with respect as the weaker

partner and as heirs with you of the gracious gift of life, so that nothing will hinder your prayers.

- 23 Genesis 2:24 (see note 14)
- 24 Proverbs 22:7 The rich rule over the poor, and the borrower is servant to the lender.
- 25 Burkett, Debt-Free 57.
- 26 Deuteronomy 28:1-2
- 27 Deuteronomy 15:1-2 At the end of seven years you must cancel debts. This is how it is to be done: Every creditor shall cancel the loan he has made to his fellow Israelite. He shall not require payment from his fellow Israelite or brother, because the Lord's time for canceling debts has been proclaimed.
- 28 Burkett, Debt-Free 66.
- 29 Ecclesiastes 5:4-5 When you make a vow to God, do not delay in fulfilling it. He has no pleasure in fools; fulfill your vow. It is better not to vow than to make a vow and not fulfill it.
- Psalm 37:21 The wicked borrow and do not repay, but the righteous give generously.
- 30 1 Corinthians 14:40 But everything should be done in a fitting and orderly way.
- 31 Blue, Master 82.
- 32 Matthew 6:26 Look at the birds of the air; they do not sow or reap or store away in barns, and yet your heavenly Father feeds them. Are you not much more valuable than they?
- 33 Fooshee, 95.
- 34 Proverbs 3:9-10 Honor the Lord with your wealth, with the firstfruits of all you crops; then your barns will be filled to overflowing, and your vats will brim over with new wine.
- 35 Kenneth Barker, The NIV Study Bible (Grand Rapids: Zondervan Publishing 1985) 27.
- 36 Genesis 14:18-20 Then Melchizedek king of Salem brought out bread and wine. He was priest of God Most High, and he blessed Abram, saying, "Blessed be Abram by God Most High, Creator of heaven and earth."

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- 37 Genesis 28:22 And this stone that I have set up as a pillar will be God's
 house, and of all that you give me I will give you a tenth.
- 38 Jerry Benge, "Growing in Stewardship," Stewardship Devotional Guide (1990):
 30-31.
- 39 Burkett, Debt-Free 99.
- 40 Burkett, Complete Financial Guide 73-74.
- 41 Proverbs 21:5 The plans of the diligent lead to profit as surely as haste
 leads to poverty.
- 42 Burkett, Complete Financial Guide 78.
- 43 Marion Joyce, "Get Out Your Scissors," The Frugal Shopper (New York: Perigee
 Books, 1993) 20.
- 44 Fooshee, 11.
- 45 Ecclesiastes 5:4-5 (see note 28)
- ** All Biblical quotations are taken from the New International Version.